



**Talking Points for Surplus Computers**

April 27, 2006

1. DAS is responsible for state surplus property under Iowa Code section 8A.324.
2. The statute provides, in relevant part that DAS can enter into agreements with non-profit organizations or other governmental agencies to dispose of surplus property.
3. DAS has chosen to enter into an agreement with Iowa Prison Industries to act as our agent in managing state surplus.
4. The statute allows for a fee to be charged to the state agency in control of the property with the cost of removing and transporting the property.
5. DAS' current MOU with IPI also allows IPI to charge a fee for removal and transporting the surplus property.

OPTION 1:

Agencies are allowed to negotiate trade-ins.

1. Agencies have requested that they be able to trade in old computers, monitors and other items when negotiating for new equipment.
2. If agencies are allowed to use old equipment as trade-ins, IPI will likely end the MOU which established the state surplus program with IPI.
3. If agencies would not be able to negotiate removal of the excess equipment with a new-purchase deal, DAS would need to dispose of the surplus property.
4. If DAS disposes of the surplus property, it will most likely need to charge a fee to the agency in charge of the property for removal and disposal.
5. Agencies would be responsible for arranging with the vendor the pick-up and removal of the old property.
6. **This is not contemplated by the Code, (unless you are a designated charter agency) and may require a change in the Code provisions for state property. (Money earned from the sale of state surplus "shall" be deposited in the general fund.)**

OPTION 2:

If agencies do not want to pay IPI for removal and transportation charges, DAS would dispose of the property:

1. DAS would likely charge a fee to the agency for removal and transportation of the property. This could be accomplished through a utility or marketplace fee.
2. Any sale of the surplus property by DAS shall be deposited in the general fund.

OPTION 3:

If agencies do not want to pay IPI for removal and transportation charges, would IPI allow agencies to deliver the surplus property to them, at a time and location agreed upon?

1. Agencies would expend personnel and other costs associated with removal and transportation of the surplus property.
2. The agency would still "own" the equipment until satisfactory delivery was made to IPI.

8A.324 DISPOSAL OF PERSONAL PROPERTY.

The director may dispose of personal property of the state under the director's control by any of the following means:

1. The director may dispose of unfit or unnecessary personal property by sale. Proceeds from the sale of personal property shall be deposited in the general fund of the state.

2. If the director concludes that the personal property has little or no value, the director may enter into an agreement with a not-for-profit organization or governmental agency to dispose of the personal property. The not-for-profit organization or governmental agency may charge the state agency in control of the property with the cost of removing and transporting the property. Title to the personal property shall transfer when the personal property is in the possession of the not-for-profit organization or governmental agency.